



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

This statement seems not to take account of the fact that the bondholders in domestic corporations are taxable on their bonds, although the corporation itself is taxable to the full extent on its property. This discrimination between public and private mortgages was called to the attention of the courts in the case of *Cen. P. Ry. Co. vs. Bd. of Equalization* (60 Cal. 35), but it was upheld as lawful.

There is likewise a great inequality and irregularity in the taxation of franchises. In California some of the railroads have taken advantage of the fact that they received their incorporation from the federal government to claim complete exemption from the tax on franchises. On the other hand, some corporations are taxed on their franchises, although they possess no valuable privileges. Professor Plehn rightly asserts that there is a distinction between franchises in the legal view and valuable franchises which alone are properly objects of taxation.

In regard to the practical work of assessment of real estate great variations exist. Professor Plehn says that these inequalities may be divided into *three* classes, but he proceeds to enumerate *four*, viz.: those arising (1) between localities, (2) between rural and urban property, (3) between land and improvements, (4) between individuals. These, of course, are often combined. As usual, the farmer appears to be the chief sufferer.

The chief indictment against the general property tax is that it does not reach intangible personal property. This defect is very conspicuous in California. Real estate bears a constantly increasing ratio of the burden. One of the most interesting and instructive evidences of this failure to reach personalty is given by Professor Plehn in the comparison of the assessed valuation of buildings and movables with the underwriters' reports of loss by fire. In the former case the value of the movables amounted to but 50 per cent of the realty, while in the latter case it was nearly three times as much. In a paper of some eighty pages it is difficult to treat such a large subject as the complete tax system of a state, yet Professor Plehn has given an admirable statement of its chief features and most glaring defects. The essay appears to have been written with a purpose of promoting reform, but no proposals of a positive character are made. The determination of this question is attended with not a little difficulty, but perhaps Professor Plehn will address himself to its solution.

Colorado College.

FRANCIS WALKER.

Der Clearing und Giro-Verkehr in Oesterreich-Ungarn und im Auslande. Von Dr. HEINRICH RAUCHBERG. Pp. 212. Vienna: Hoelder, 1897.

In his most recent work Professor Rauchberg gives an excellent

picture of the banking organization of Austria-Hungary, which throws an instructive light upon the commercial and industrial methods of that country. Through comparisons with other nations, and especially with the German Empire, the author shows very successfully the degree of banking development which has been attained by Austria.

The barbarous terminology of German banking practice obscures somewhat for the foreign reader the full significance of the picture which is unrolled. Suffice it to say that the object of the work is to determine the extent to which payments are effected through credit instruments without the intervention of money. The distinction made in the title is between such transactions as can be regulated by book transfers of a single bank and its branches (*Giro-geschaeft*) and such as require the intervention of the clearing house for the reciprocal compensation of the obligations of different banks. In the United States, where no single bank dominates the banking business of the country, such a distinction is unfamiliar. In Austria-Hungary and in Germany, on the other hand, it grows out of the supremacy in the money market of one or two institutions, notably the national banks of these states.

The purpose of the author in the present work is not to describe the technical operations involved in effecting payments without the use of money, but to ascertain the development and extent of this practice. He shows incidentally that an admirable banking organization has been effected in Austria, and that a well-planned machinery exists for economizing the use of money. By a resort to the statistics of the banks, which he handles with a master hand, he shows what progress has been attained, notably in the past decade. But when a comparison is made between Austrian achievements and those of other nations it appears that little has been done to utilize the existing facilities. Unwearied efforts have been made by the banking authorities of recent years to introduce the use of checks. Despite the increase in their use, the fact that payment for more than half the checks is made over the bank counters in actual money, shows clearly that they do not fulfill their true function. Nor can it be otherwise while the use of checks is confined to so small a percentage of the people. It appears clearly from the innumerable tables which the author presents, that while Austria-Hungary possesses the form of a credit organization it lacks its spirit.

It is not the special position of the Austro-Hungarian Empire in this respect which will be of chief interest to the American reader, but rather the general view which is given of the banking practice of Continental Europe as compared with the usages of Great Britain

and the United States. Nowhere on the Continent do we see the use of credit so widely diffused as in the latter countries. On the Continent it is confined to the commercial and industrial chiefs in economic activity and has not permeated into the mass of the people. The facts brought forward so clearly in Professor Rauchberg's book give us instructive glimpses into the economic organization of industry and commerce in the countries of southern and eastern Europe. They enable us to appreciate the greater expansive power and at the same time the greater sensitiveness of economic movements in Great Britain and in our own country.

ROLAND P. FALKNER.

Neue Beiträge zur Frage der Arbeitslosen-Versicherung. By Dr. GEORG SCHANZ. Pp. viii, 216. Price, 4 marks. Berlin: Carl Heymanns, 1897.

Professor Schanz is already well known as an authority on the subject of labor insurance, from his study of the problem of insurance against non-employment. His book on this question, which appeared in 1895, contained a very careful summary of the various proposals for such insurance, and a good discussion of the world's experience with such insurance down to that date. It will be remembered that Professor Schanz was negative in his criticism of this form of compulsory state insurance and prophesied its ultimate failure as a practicable measure. He proposed, however, a scheme for a compulsory saving fund under state insurance management, to which both laborers and employers should contribute a small sum weekly up to a certain minimum limit, amounting to about \$25. When this point is reached, the obligation to add to this fund ceases. The laborer has absolute control over the spending of this money in times when he is out of employment. But whenever the amount to his credit falls below the 100 mark line he is obliged to make weekly contributions to bring it up to this sum, as soon as he receives wages.

Dr. Schanz makes out a strong case in favor of some such plan as the only means of overcoming the almost insurmountable difficulties connected with compulsory state insurance. The present little volume is a series of essays dealing with many sides of this question; some of the chapters have already appeared in periodical literature, but most of them are now new. In the first place he takes up and answers the objections which were made to his plan on compulsory saving as a substitute for compulsory insurance. He then reviews the latest experience, coming down to about March, 1897, of the compulsory insurance schemes in Switzerland. He deals only with the insurance